

**Agricultural Advisory Committee Meeting
Meeting Minutes – November 20, 2018**

Attendance: Eleanor Leak, Michele Cropp, Linda Lewis, Aliza Fishbein Silver, Pete Driscoll, Patrick Jamison, Doug Lechluder, Jane Evans, Ben Butler, Ben Allnutt, Leonard Yourman

Staff: Jeremy Criss

Agenda items are in bold and minutes are not bolded.

1. Call the Meeting to Order and Introductions:

Meeting called to order at 7:07 pm.

2. Approval of the AAC meeting minutes from October 16, 2018.

Minutes approved as corrected. (Cropp/Lewis)

3. The OAG met with representatives from Office of Intergovernmental Relations and Finance on October 29, 2018. These agencies agreed with the findings of OAG that an 840-acre farm owned by the Government of Saudi Arabia (Barnesville Oaks) was developed including 24 lots and zero County or State Agricultural Transfer Taxes were paid. These agencies support an amendment to the County Code Chapter 52 Taxation that would designate collections of County Agricultural Transfer Taxes for purchasing Farmland Preservation Easements and no longer deposited into the County’s General Fund. Prior collections of County Agricultural Transfer Taxes that were deposited into the General Fund are as follows:

FY 2016 Collections	\$ 538 K
FY 2017 Collections	\$ 631 K
FY 2018 Collections	<u>\$ 422 K</u>
Total for 3 years	\$1,591 K

The next step is to gain support from the New County Executive and Council to amend Chapter 52 accordingly. OAG Transition Document to New Administration.

The Office of Intergovernmental Relations are the lobbying branch of the County Executive and the County Council. The collection of ag transfer taxes is not what they used to be. Last year, OAG did research to figure out which properties were being transferred for development and where transfer taxes weren’t collected. OAG was told that it is a Montgomery County problem, and that it would need to be taken care of through a local bill. This environment supports identifying alternative sources of funding for ag preservation. There is an 840-acre property that was developed but didn’t have transfer taxes imposed upon it. The County’s Department of Finance-Transfer office confirmed these findings, that there are

properties being transferred out of ag use and no county or state ag transfer tax were collected.

The state tax is used to fund farmland preservation whereas the county tax goes straight to the general fund. The County staff from Department of Finance and Intergovernmental Relations support OAG's recommendation to the incoming administration that all future collection of the ag transfer taxes should be allocated to ag preservation instead of the general fund. The Farm Bureau adopted a policy resolution that alternative sources of funds need to be identified to augment existing funds sent to ag preservation. Michele, as President of the MCFB, signed on to a letter requesting an opportunity to meet with Marc Elrich, along with OAG.

More details about the taxes: Both the state and county taxes are 5% of the consideration of a transfer. If the state transfer tax is paid and it transfers from ag to not ag, this means the declaration of intent was not fulfilled and the state tax is 5% and the county tax is 1%. But if the state tax is waived and no transfer tax is paid because it's being transferred from ag to ag, then the county will charge between 1-6%. For properties inside the AR zone the county tax is 1%. If the property is outside the AR zone, the county's transfer tax from ag use assessment to ag use assessment can be as high as 6%. The Farm Bureau policy resolution recommends that the transfer tax should be 1% from ag to ag regardless of where the farm is located.

- 4. We have updated Delegate Eric Luedtke on the October 29, 2018 meeting because he is working on a State Bill that would remove Section 13-305 which allows developers to avoid paying the Agricultural Transfer Taxes.**

Luedtke's draft bill removes the loophole that allows developers to avoid paying the state ag transfer tax, and in Montgomery County, the county transfer tax. There is no other county that has an ag transfer tax. They have real estate transfer taxes that are used to fund ag preservation, but not an ag transfer tax. The bill will impact the collections of state ag transfer taxes collected in all Maryland counties.

- 5. Update on the adopted ZTA 18-03 Farm Alcohol Production Facilities. The Council adopted Resolution 18-1265 requesting the Office of Agriculture to remit a biannual report on the status of farm alcohol production. In response to the concerns expressed by the community, the OAG has prepared a summary of water requirements for all agricultural products and crops.**

Every other year OAG will prepare a report on the status of farm alcohol production. Jeremy is preparing a baseline assessment for every license in the county for producing alcoholic beverages, separating out urban and rural. They will update it in two years. OAG is hoping to get total sales figures and number of employees from owners of the operations to demonstrate the amount invested in the farm and thus the economic value of farm alcohol production.

- 6. The Montgomery County Farm Bureau conducted their annual meeting on November 6, 2018. Michele Cropp was elected as the President with Lonnie Luther as the 1st Vice President and Todd Greenstone as the 2nd Vice President. Several new members were elected to serve on the Board of Directors.**

The AAC congratulated Michele on a well-run event and the election of a good group of officers.

- 7. The Agritourism Study Advisory Committee will be reconvening on November 28, 2018 at 6:00 pm to review the recommendations from the consultant that MNCPPC hired. This meeting will be held at the Up-County Regional Services Center 12900 Middlebrook Road Germantown Room A.**

The consultant to the ag tourism committee has done a good job summarizing ag tourism venues across the country. What P&P does with the consultant's recommendations will be closely monitored. There are some highly restrictive provisions in some of these jurisdictions, so we want to make sure we do not end up with restrictions in Montgomery County. The committee did not endorse the recommendation of House Bill 252 which adopted a statewide definition of Agritourism. The committee endorsed the 2014 zoning rewrite definition of accessory agritourism, which does not include Frisbee golf, zip-lining, and paintball. MCA's website says that they're exploring legal options for opposing farm alcohol production.

Jeremy will send out the ag tourism study to the AAC as well as the final adopted version of ZTA 18-03 with all the amendments that were offered and accepted during the work session.

- 8. Comcast started construction of the Sugarland Broadband Pilot last month. The first section along Partnership Road will start and the hope is to have this section completed before Christmas. Comcast is working to schedule construction along the Sugarland Road after the holidays contingent upon receipt of the signed easement from the Byrd Foundation. Several residents have expressed interest to assist in replicating the success of the Sugarland Pilot into other areas of the Agricultural Reserve. <https://montgomerycountymd.gov/cable/Sugarland/sugarland-comcast.html>**

There are still a few holdouts in the Sugarland area; OAG is working on this. The project construction has begun as they have started running the cable from existing poles and some trenching where the poles do not exist. The first phase will be completed by Dec. 15. The second phase will be completed after the holidays. Verizon is not interested in expanding their network into the rural areas of the county. Once this project is done, OAG will look to expand the broadband further into the AR.

- 9. The OAG is working on a Farming Family promotion for Montgomery County. The USDA Agriculture Census reports the average age of a Montgomery County farmer is 60.5 years old, but this does not totally capture the environment where children are returning to the farm to work with their parents and grandparents. Kira Tregoning (Doug Tregoning's daughter) is working with the OAG and she is scheduling interviews with farming families to tell the true story of the next generation of Montgomery County farmers. If Kira contacts, you please respond back as this will help us to promote Montgomery County Agriculture and the wonderful farming families that we have.**

Kira Tregoning (Doug Tregoning's daughter) has a social media company; she manages the accounts of OAG and MSCD on Twitter, Facebook, and Instagram. So far, the Stabler family has been featured. Even today, the Washington Post published an article on Visit Montgomery, the Ag Reserve and opportunities in the AR zone. It talked about the Ag History Farm Park, Tusculum Farm, Rocklands Farm, and Woodlawn Farm. Jeremy gave Kira a list of 20 farmers to contact and Jeremy asked that everyone please respond back to Kira.

- 10. Agricultural Legislative Luncheon-December 18, 2018 12:00 to 2:00 pm-Details and invitations are in the works.**

The legislative luncheon will be held at Seneca Ayr Farms. All AAC members are invited. The purpose of the event is to interact with the County Executive, 9 Council members as well as the 32 members of the Montgomery County delegation. The Farm Bureau board of directors, the members of the Ag Preservation board, Soil Conservation, Montgomery Ag Producers, Farm Service Committee, and Montgomery Weed Control are also invited.

11. Additional Business

1) MC 11-19

The bill would change the state constitution and would prohibit pesticide use on golf courses. This is the Montgomery County delegation attempt to emulate the council passed Bill 52-14. The county appealed to the RISE case to the state appellate court, and a panel of three judges have not yet ruled on the merits of the case, though it's not looking good for the county. The judges wanted to know how the county developed the list of prohibited pesticides and the county responded that they got it from Canada and the UK. If the appellate court agrees with the circuit court's decision, then Bill 52-14 is not law. This is delegate David Moon's (from Montgomery County, District 20) bill to amend the MD state constitution. Then it would apply to all golf courses in the state. Michele explained that the country clubs in the area have hired lawyers to fight this.

2) Election Results

The AAC discussed the recent election results. The new state senators are former delegates. There are many new delegates. Statewide, there is a 75% turnover rate in the General Assembly, most of them are women.

As a reminder, Kirill Reznik of District 39 is the one who wrote the letter to the MD Attorney General about pesticide Bill 52-14, questioning the preemption of the county bill over state and federal law.

Senator Nancy King will be the chair of the budget and taxation committee, which is a big opportunity for Montgomery County.

- 3) Follow up to the Gravel Portion of River Road. Jeremy said the study is still pending for additional cost information on culvert replacements. Jeremy is following up on the DOT study.

12. Adjournment

Happy Thanksgiving! Motion to adjourn. (Cropp/Evans)